

ARBITRATION TO BE OFFERED BY VIENNA

Reply in Ancona Case Is Expected to Reject Principal American Demands.

TREATY WILL BE PLEADED

Suggestion Expected Not to Be Satisfactory to President and Secretary Lansing, With Lusitania Precedent in Mind.

WASHINGTON, Dec. 28.—(Special).—The Austro-Hungarian government, according to unofficial but definite information received in authoritative quarters here today, will respond to the American note on the Ancona case by rejecting the principal American demands and suggesting arbitration.

While officials of the State Department today insist that any forecast of the Austrian reply had been received from Ambassador Penfield at Vienna, the official intimation has prepared diplomatic circles here for a possible break in diplomatic relations between the two governments.

Note Probably Delivered.

The note of the Austro-Hungarian government, signed by Count Hottel, Austrian Minister for Foreign Affairs, is probably in the hands of Ambassador Penfield, who sent a cablegram to Secretary Lansing several days ago, received yesterday, saying that he had been instructed to deliver to the American minister the reply to the second note from the United States which was delivered to him "the first of the present week."

It is expected that the Austrian note will be received here Friday or Saturday, in time for immediate consideration by President Wilson and Secretary Lansing in Washington Monday, January 2.

Attack Is Not Discovered.

The principal points in the Austrian response are now expected to be: First—No discovery of the attack on the Ancona.

Second—No punishment of the commander of the Austrian submarine that made the attack.

Third—Probable willingness to offer reparation for American lives lost in the sinking of the Ancona.

Fourth—Arbitration of the difference between the two countries over the loss of the Ancona.

Fifth—Indication of a willingness to give guarantees for the future with respect to the Austrian submarine campaign against merchant vessels similar to those given by Germany after the Lusitania and Arabic incidents.

Offer Based on Treaty.

The offer of arbitration is expected to be the outstanding feature of the Austrian answer. It is not expected to be satisfactory to President Wilson and Secretary Lansing. When Germany offered to arbitrate the Lusitania case President Wilson rejected that proposition on the ground that he was not willing to consent to the arbitration of the question of the loss of human lives.

The offer to arbitrate will be based by the dual monarchy on the existing treaty of arbitration between the United States and Austria-Hungary. This treaty was signed at Washington on January 11, 1903, by Elihu Root, during the closing days of the second Roosevelt Administration and by Count Hottel, then the Austro-Hungarian Ambassador to the United States.

The treaty was to remain in force for five years from the 15th day after the exchange of ratifications. The exchange took place May 13, 1903, and the treaty was due to expire May 23, 1914, but the treaty has been renewed and is in its second five-year period.

CRISIS AGAIN APPROACHING

Austria's Offer Fails to Comply With Mr. Lansing's Views.

WASHINGTON, Dec. 28.—(Special).—Official advice received today confirmed with indications from abroad that Austria's forthcoming reply to the Ancona note will fail to meet the demands of the United States, and Teutonic diplomatic circles here tonight were authoritatively represented as being prepared for a break in diplomatic relations between Austria and the United States.

Various developments, it was agreed, might avoid such an eventuality, but some of the ministerial proposals which it has been intimated Vienna Foreign Office might advance has been regarded so far as coming within Secretary Lansing's removal of the demands for discovery, reparation and punishment of the submarine commander who sank the Ancona with the loss of more than a dozen American lives.

The situation, after being dormant nearly two weeks, is again beginning to take on the aspect of a crisis. The status of the negotiations of the United States over the submarine warfare against merchantmen, not with Austria alone but with the Teutonic powers as allies, is commanding attention.

Although Germany has given the United States assurances that she will conform to the principle of visit and search before attack, officials believe the practice against which the United States so vigorously contended are being carried on now by her ally, Austria. It has been charged that the Austrian submarines are in some instances furnished by Germany and are sometimes offered and manned by members of the German navy.

Such a situation, it is being pointed out, amounts to practically a defeat of the submarine negotiations with Germany. Furthermore, the increase in the Lusitania negotiations becomes a factor in the situation. It is admitted that the United States scarcely can require Austria to conduct submarine warfare in a manner different from that permitted to Germany.

Germany's refusal to give visitation and making provision for the safety of passengers and crew, providing there was no resistance on the part, agreement has been reached as to the exact meaning of the word "liners." The Germans held it applicable to vessels carrying passengers alone and playing between certain ports on regular schedule. The State Department's view has been that the term includes any merchant ship belonging to a regular steamship line, but no issue has been made of the differing interpretations because Germany has undertaken to use such precautions as may be consistent with the use of the submarine to warn merchantmen and to insure the safety of the passengers and crew, providing there was no resistance on the part of the military establishment of the enemy.

The demand of the United States on Austria in connection with the Ancona case is broader than any German admission, being based on the contention that international law, the Hague conventions and the declaration of London all require warning before sinking a vessel, and the assurance of the safety of the passengers and crew, even when the vessel is of belligerent ownership and where she does not comply with German ideas of the term "liner."

The Austrian government has not admitted any such obligations and recent events in the Mediterranean indicate that her submarine commanders are sinking merchantmen without warning and without inquiry as to whether they carry neutral passengers.

So far no explanation beyond that of military necessity has been offered for this violation of what the State Department regards as the elementary principles of international law and of humane warfare. Unless the expected note from the government should amount to a sudden and total severance of diplomatic relations, it is expected in official quarters that the Austrian foreign office will seek to justify its methods, perhaps adopting one of the original German contentions in the Lusitania case, that appearance of the submarine as a weapon of war has introduced new problems and not only justified but demanded a departure from the old rule.

Moffet Bound Over. On the charge of attempting to extort money from Mrs. Julia Sharpe, Thomas S. Moffet was bound over to the grand jury and Gordon Smith was held as a material witness, when the case was concluded before District Judge Jones Monday. Moffet's bail was fixed at \$500. Judge Jones expressed himself as convinced of the guilt of Moffet, whom he said had tried to commorcelize the sins of his wife and to extort money on that basis.

3 More Days of the Year-End Sale

Letting the Old Year Have Some of the Good Sale Things Usually Reserved for the New Year

All Goods Purchased Wednesday and Balance of the Month Charged on February 1st Bills

Hoover Electric Suction Sweepers—are being demonstrated at our store this week. Made in four popular priced sizes. Sold on Easy Terms—Fifth Floor

Pacific Phone Marshall 5000 Home Phone A 6691 Lipman Wolfe & Co. Merchandise of Merit Only. Mail and Telephone Orders Filled by Expert Shoppers

Only 50 of These New Mid-Winter \$10, \$12 Trimmed Hats To Sell Wednesday At \$3.95 No Two Models Alike



You could not secure smarter, better hats at \$10 and \$12 at any time. They are available in qualities of fine silk velvet—in their trimmings of flowers, ostrich novelties, tailored ribbons and fancy effects—in their extremely late styles—and in the wide range of different shapes that you will find so becoming. No matter what style of a hat you have in mind, it is here, at the extraordinary sale price, \$3.95. —Third Floor

Three Extra Special Corset Sales \$1.75 Nadia Corsets of Double Batiste, Special... \$1.29 \$2.50 and \$3.00 Corsets of Batiste and Coutil, Sale... \$1.95 Discontinued Models of \$3.50 to \$6.00 Corsets, Now... \$1.95

Splendid Choosing in This Collection \$25.00 Axminster Rugs at \$17.47 \$2.00 Mottled Axminster Rugs for \$1.47

Three Important Sales From the Women's Ready-to-Wear Section

Blouses at \$4.85 Sold Regularly at \$5.75 Of Candy Striped Pussy-Willow Crepe —New blouses of entirely new material—candy striped pussy-willow crepe in beautiful colorings. Made in an advanced style with collar and cuffs of fine hemstitched Georgette crepe, finished with large ocean pearl buttons.

Suits at \$22.75 —A great assortment of suits at this special price, comprising every popular style of the season. Made of broadcloth, poplins and gabardines, and every suit beautifully tailored. Many are fur trimmed, others with velvet and braid trimmings. Also many plain tailored styles. The coats are fine silk lined, and the skirts are in flared or pleated models.

Coats at \$24.85 —Coats of fine imported wool velours, zibelines, broadcloth and fancy Scotch mixtures, in black, navy, brown, green and plaids. Coats in pleated, flared and wide belted styles, with fur chin chin collars. Many are full silk lined, others have yoke and sleeve lining. —Third Floor

Broken Lines of Women's Regular and Out Size \$1.50, \$1.25 and \$1 Thread Silk Hose Extra Special 69c Pair —Full-fashioned hose, reinforced heels and toes. Of fine quality pure thread silk, in black, tan, sky and gray.

Colored Top Silk Hosiery, Special \$1.15 Pair —Pure thread silk of an extra heavy quality, in black only, with yellow, red or purple tops. Full fashioned and reinforced at heels and toes. All sizes. —First Floor

\$1.50 Outing Flannel Nightgowns 98c —Extra good quality material, made in slip-over style with scalloped edges, eyelets drawn with ribbon. Also open-front style, pajama effect, trimmed with wash braid, with turn-down collar, double yokes back and front, finished with corded edge. All gowns cut full length and extra wide. —Of plain white or fancy striped flannel. All sizes.

Pictures Fitted Free in Picture Frames 59c —Bring in your Xmas pictures to be framed. If these frames were made to order, they would cost at least twice or three times our sale price. All sizes from 8x10 inches to 16x20 inches, both oval and square shapes, in black, brown and antique gold finish. All frames fitted with glass and back. —Sixth Floor

BOYS' \$7.50, \$8.50, \$12.50 All-Wool Suits Special \$5.65 —Just 129 of these fine suits at this price. All sizes from 6 to 18 years. Pants lined throughout. Coats mohair or serge lined. They are excellent, sturdy suits, made in the newest Norfolk styles of all wool blue serges, tweeds, homespun, diagonals and checks. —Fourth Floor

Economy Basement Store

"Where You Spend the Least and Get the Most For It"

5c Yard For Apron Gingham —In a large assortment of checks and stripes in light and dark grounds, suitable for aprons, dresses, children's wear. An excellent quality at this price.

95c For Breakfast Sets —Of fancy flowered or plain percale, or blue and white gingham. Set consists of a full-gored skirt, a belted jacket with kimono sleeves and a turned-back cap. Trimmed with piping. All sizes.

\$6.95 For Tailored Suits —Of fine serge, in two new models. The coats are made with pleated or flare backs, button trimmed. Skirts in flare style, or with side pleats. Every suit is beautifully tailored and silk lined.

85c For Men's Regular \$1.25 Flannel Shirts —Heavy quality, in navy blue, gray and green mixtures.

10c Yard For White Flannel —Of regular 12 1/2 and 15c quality. Evenly woven, pure white, full 32 inches wide. The best quality ever offered at 10c yard.

79c Pretty House Dresses —In many styles. Of gingham or percale, in checks, stripes, figures, in pinks, blues, black and white, tan, gray and white. All well made and finished, trimmed with plain bandings, pipings and embroidery edge. Sizes 36 to 44.

75c For \$2 and \$2.50 Velvet Untrimmed Hats —In small, large and medium shapes, with high or medium crowns, straight or rolling brims. In black and colors. Also included are a number of hatters' plush hats.

As Illustrated—11-Piece Kitchen Sets, \$1.19 —Complete with rack, screws, hooks and eyes, all ready to hang up. Full nickel plated, with bonized handles, packed compactly in a box. Each set consists of one each.

18c Yard For Regular 35c to 50c Fancy Wash Goods —With voile grounds, in white, with striped effects. About 6 attractive patterns to choose from. Dainty designs for waists or dresses, 36 to 40 inches wide.

25c For Fitted Bib Aprons —With large bib that fastens at the back of neck. Made of light or dark percale in assorted patterns, or pink or blue checked gingham, trimmed with rick-rack braid or bias bandings.

17c For Regular 35c to 75c Women's Neckwear —Organdie vestees, net gimpes, Oriental lace vestees, also separate collar and cuff sets, in a great variety of pretty styles.

Meat cleaver, salad chopper, cake turner, vegetable fork, soup skimmer, perforated spoon, soup ladle, paring knife, ice pick, can opener and an ebonized rack to hang them on.

43c For 60c Cotton Batts —Snow white batts, weight about three pounds, 72x84 inches when opened up, made for full-size comforters.

25c Special Hot Lunch Every Day From 11:30 to 2:30

Notion Sale 25c Silk Hose Supporters 12c —In all colors, pinion style. 20c Hose Supporters... 8c 10c Sanitary Napkins, box 6c —Three in a box. 35c Dress Shields... 15c 20c Cotton Dress Shield... 8c 25c Sanitary Belts... 18c 25c Shell Barrettes 25c Sanitary Aprons... 15c 10c Bias Seam Tape... 5c 10c Silk Collar Stays... 5c 10c Hooks and Eyes... 6c 50c Garment Shields... 25c —First Floor

Little Theater Play Given to Capacity Audience.

"The Birds' Christmas Carol," American Classic, is Ably Presented by Youngster Folk.

FILLING every seat of the Little Theater, an audience, two-thirds of which was made up of children, rejoiced yesterday afternoon in the charming visualization of Kate Douglas Wiggin's "The Birds' Christmas Carol," a favorite story of the Christmas season.

Two realistic interior scenes were shown, one the living-room in the "birds' nest," and a view of the painfully bare but shiningly clean kitchen of "the Ruggleses in the rear." The accessories and scenic attire were simple but effective.

As for the production it preserved the important elements of the story, an American classic. The sympathetic and convincing interpretation of these young amateurs was singularly sweet and appealing.

The first act introduces the gentle, sweet Carol Bird, a father obsessed with the inviolability of his castle "in the nest, but not quite of it," the sympathetic mother, the human and lovable "Uncle Jack," a bird of passage, and the clever and mildly sophisticated nurse to Carol.

Christmas party at the "big house," and the audience entered hilariously into the spirit of the occasion, laughing at Mrs. Ruggles' preparations, her pride in the "McGrills." They approved of her quaint philosophy and were stirred by the brusque tenderness of her mother love.

Winifred Crowther gave a beautiful and consistent performance of Carol Bird, playing with an intelligence and comprehension far beyond her years. This was little Miss Crowther's first stage appearance and she evidenced genuine dramatic instinct.

Ruth Creed was a dignified Mrs. Bird, Robert Cosgriff and Harry Jamieson played the roles Father Bird and Uncle Jack capably, and Marie Williams was an alert and nicely poised nurse.

The requirements for character delineation in the role of Mrs. Ruggles were admirably met by Frances Gill. The seven little Ruggleses were played to the life by seven little Portland lads and lassies, Cordelia Broadbent, Harold McEwen, William Hawkins, Norman Goudy, Helen Hawkins, Jean Tannhill, Francis Gilbert.

The role of Sarah Maude was assumed with special distinction by Cordelia Broadbent who jumped into the role at a day's notice and covered herself with glory.

Miss Frank Towles coached and produced the little play and must be accorded unstinted praise. Other performances of "The Birds' Christmas Carol" will be given December 30 and January 1, 3, 15, at the Little Theater.

Forest Grove Lodges Install. FOREST GROVE, Or., Dec. 28.—(Special).—At the joint installation of officers of Holbrook lodge, No. 33, Masons,

POS-LAM ALLAYS SKIN SUFFERING QUICKLY

Approved Contrary to expectation, our announcement that the New Year's Eve Festival will start early this year—at 9 o'clock sharp—in Arcadian Garden at Hotel Multnomah

on account of the possibility of early closing being enforced—contrary to the disappointment we anticipated, it has been received with general favor.

Guests who had made reservations for supper are taking advantage of the change in time to convert their affair into a 9 o'clock dinner party—omitting their usual evening dinner at home or elsewhere.

BELL-ANS Absolutely Removes Indigestion. One package proves it. 25c at all druggists.

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H.C. Bonca, Mgr.